

JAN 28 2010

FILED

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE,

PETITIONER,

VS.

PENNSYLVANIA LIFE INSURANCE  
COMPANY,

RESPONDENT.

CONSENT ORDER

CAUSE NO. C-1804

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Janette L. Adair and Pennsylvania Life Insurance Company ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §§44-101.01, 44-135, 44-303, and 44-4047 et seq. (Reissue 2004).
2. Respondent was licensed under the laws of Nebraska as a foreign insurer licensed to conduct business in Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Pennsylvania Life Insurance Company, Cause Number C-1804 on December 31, 2009. A copy of the petition was served upon the Respondent's registered agent for service, by certified mail, return receipt requested.

2. Respondent violated Neb. Rev. Stat. § 44-1525(12) (Reissue 2004) as a result of accepting applications for insurance from Jackson McHugh, a licensed insurance producer not appointed as an agent for Respondent, and issuing policies based on those applications as follows:

- a. Policy #H71059954, transaction date July 14, 2009;
- b. Policy #H71060719, transaction date August 5, 2009;
- c. Policy #H71066383, transaction dates October 1 and November 4, 2009;
- d. Policy #SS1062046, transaction dates July 29 and August 3, 2009;
- e. Policy #SS1062074, transaction dates July 29 and August 14, 2009;
- f. Policy #SS1062783, transaction dates August 6 and August 7, 2009;
- g. Policy #SS1063159, transaction dates August 12, August 13, and August 28, 2009;
- h. Policy #SS1063750, transaction dates August 19 and August 21, 2009;
- i. Policy #SS1064188, transaction dates August 25, August 26, and October 7, 2009;
- j. Policy #SS1065345, transaction dates September 11 and October 9, 2009;
- k. Policy #SS1067276, transaction dates October 9, October 12, and November 2, 2009;
- l. Policy #TM1059556, transaction dates July 1 and July 2, 2009;
- m. Policy #TM1060906, transaction dates July 15 and July 20, 2009;
- n. Policy #TM1067006, transaction dates October 6 and October 7, 2009;
- o. Policy #TM1067564, transaction dates October 14 and October 15, 2009;
- p. Policy #TM1068103, transaction dates October 23 and October 26, 2009;

- q. Policy #AC1063762, transaction date August 19, 2009;
- r. Policy #H71057921, transaction date June 8, 2009;
- s. Policy #H71058403, transaction date June 11, 2009;
- t. Policy #H71059954, transaction date July 4, 2009;
- u. Policy #H71060719, transaction date July 14, 2009;
- v. Policy #H71066383, transaction date September 25, 2009;
- w. Policy #SS1064987, transaction date September 5, 2009;
- x. Policy #TM1068106, transaction date October 23, 2009.

3. Respondent was informed of the right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving the right to a public hearing, Respondent also waives the right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent admits the allegations stated in Paragraphs 2.

#### CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes violations of Neb. Rev. Stat. § 44-1525(12).

#### CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed by Respondent, Pennsylvania Life Insurance Company, that Respondent shall pay an administrative fine in the amount of eight thousand dollars (\$8,000.00) due within 30 days after the Director of Insurance or her designee

approves and signs this consent order. In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signature below.

*Janette L. Adair*  
Janette L. Adair, #22618  
Attorney for Petitioner  
941 O Street, Suite 400  
Lincoln, NE 68508  
(402) 471-2201

*John T. Mackin*  
Pennsylvania Life Insurance Company,  
Respondent  
By: John T. Mackin

1-27-10  
Date

1-26-10  
Date

State of Florida )  
County of Seminole ) ss.

On this 26<sup>th</sup> day of January, 2010, John T. Mackin personally appeared before me on behalf of Pennsylvania Life Insurance Company, and read this Consent Order, executed the same and acknowledged the same to be their voluntary act and deed.

*Darcy Heller*  
Notary Public

NOTARY PUBLIC-STATE OF FLORIDA  
Darcy Heller  
Commission #DD886841  
Expires: MAY 05, 2013  
BONDED THRU ATLANTIC BONDING CO., INC.

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Pennsylvania Life Insurance Company, Cause No. C-1804.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

Ann M Frohman

ANN M. FROHMAN  
Director of Insurance

1-28-2010  
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Consent Order was served upon Respondent by mailing a copy to Respondent at 1001 Heathrow Park Lane, Lake Mary, FL 32746, by certified mail, return receipt requested, on this 28<sup>th</sup> day of January, 2010.

Sheryl A. Thun